



News Release

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IRS OFFERS TIPS FOR LAST-MINUTE FILERS

WASHINGTON – The Internal Revenue Service has some tips for those hurrying to finish their tax forms – double-check your return for accuracy, use the free IRS resources if you need tax help, consider electronic options for filing and paying, and don't miss the filing deadline.

That deadline is Monday, April 15, for most of the country, but it is Tuesday, April 16, for taxpayers in Maine and for those who file their taxes at the IRS center in Andover, Massachusetts. IRS offices will be open Monday, but because it is a state legal holiday – Patriots' Day – in Maine and Massachusetts, taxpayers in these states, plus Michigan, Rhode Island and upstate New York, get an extra day to file.

More than 4 million taxpayers have made errors on the basic tax forms' only new line this year. The line is for the Rate Reduction Credit, a tax cut for people who did not receive an Advance Payment last year in the maximum amount for their filing status and whose 2001 tax qualifies them for a benefit now. Taxpayers who got the maximum amount – \$300 for a single person, \$500 for a head of household, or \$600 for a married couple – should leave this credit line blank. It is line 47 on Form 1040, line 30 on Form 1040A and line 7 on Form 1040EZ

Almost 60 percent of the Rate Reduction Credit errors were failures to claim the credit by taxpayers who were entitled to it. The IRS checks each return for proper completion of this item and gives the credit to eligible taxpayers who fail to claim it. About 25 percent of the errors were the opposite situation -- taxpayers who claimed the credit when they had already received the maximum payment. The remaining credit errors were mistakes in figuring the amount.

Taxpayers should check their math on all computations, especially subtractions, and should be sure to get the correct tax amount from the tax table. The other numbers to be most careful about are the identification numbers – usually Social Security numbers – for each person listed on the return.

The IRS toll-free help line – 1-800-829-1040 -- is available from 7:00 a.m. to 10:00 p.m. weekdays. It will also be open from 9:00 a.m. to 5:00 p.m. this Saturday and from noon to 8:00 p.m. this Sunday. Many local IRS offices will be open this Saturday for walk-in assistance. The IRS Web site -- www.irs.gov -- has interactive tax aids, forms and publications for downloading and links to e-filing partners. Many public libraries have basic tax forms available, along with reference copies of IRS publications.

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Taxpayers may file and pay on time electronically until midnight of the deadline day. E-filers may pay by authorizing a no-fee electronic funds withdrawal from a checking or savings account.

Some software packages allow taxpayers to electronically file their return and pay the balance due by credit card in a single transaction. Two private sector companies are authorized to offer credit card services to any person wishing to simply charge a tax payment by phone or Internet, whether filing electronically or on paper. Details are in the tax instruction books and on the IRS Web site. The companies that process credit card payments charge a convenience fee. The IRS does not collect such fees, nor does it receive or store credit card numbers.

Taxpayers sending a check or money order should make it payable to "United States Treasury" and include their identification number, usually their Social Security number, and the year and type of form filed – for example, "2001 Form 1040." Joint filers should use the identification number of the first spouse listed on the return. They should not staple the payment to the tax return.

Those who cannot complete their returns on time may request an automatic extension to August 15. Form 4868 has details, including various options for getting an extension by filing or paying electronically. There is also a special toll-free number for requesting an extension by phone -- call 1-888-796-1074 by the regular filing deadline.

An extension gives extra time for filing only, not for paying any balance due. Interest will apply to any tax not paid by the April deadline, plus a late payment penalty if less than 90 percent of the total tax is paid on time. The interest rate, which may be adjusted each calendar quarter, is currently six percent per year, compounded daily.

The penalty for failing to file on time is five percent per month of the balance owed. If a taxpayer files more than 60 days late, the minimum penalty is \$100 or the balance due, whichever is less. The penalty for paying late is 0.5 percent per month of the balance owed. This rate drops to 0.25 percent per month for an individual who files on time and enters into an installment agreement with the IRS to pay the balance owed. There is no late filing penalty on a refund return, but a taxpayer who fails to claim a refund within three years of the filing deadline generally loses the right to that refund.

Taxpayers mailing their returns should be sure to get them to their local post office before the last pickup of the day. Some post offices stay open late to accept returns for a deadline day postmark. Taxpayers may also use designated private delivery services to meet the filing deadline. The four companies involved – Airborne Express, DHL Worldwide Express, Federal Express and United Parcel Service -- can provide details on which of their services qualify and how to get proof of timely filing.

The IRS has received nearly 7.2 million computer-filed returns from taxpayers doing their own taxes, surpassing the 6.8 million total for all of last year.

2002 FILING SEASON STATISTICS

Cumulative through the week ending 4/6/01 and 4/5/02

	<u>2001</u>	<u>2002</u>	<u>% Change</u>
Individual Income Tax Returns			
Total Receipts	76,415,000	79,735,000	4.3
Total Processed	68,315,000	72,304,000	5.8
E-filing Receipts:			
TOTAL	34,242,000	39,158,000	14.4
TeleFile (phone)	3,856,000	3,616,000	- 6.2
Computer	30,386,000	35,542,000	17.0
Tax Professionals	25,207,000	28,351,000	12.5
Self-prepared	5,179,000	7,191,000	38.8
Refunds Certified by the Martinsburg Computing Center:			
Number	61,705,000	64,629,000	4.7
Amount of principal	\$107.356 billion	\$126.276 billion	17.6
Average refund	\$1,740	\$1,954	12.3
Direct Deposit Refunds:			
Number	28,202,000	32,585,000	15.5
Amount	\$60.936 billion	\$77.139 billion	26.6
Average	\$2,161	\$2,367	9.6